MDSnews Limited

MDSnews Shareholder Update
16 June 2006

Asian Distribution Agreement

The Directors of MDSnews Limited ("MDSnews") are pleased to announce that the Chief Executive Officer, Leon Hinde will be transferring 1,250,000 shares from his personal holdings to Mr James Lu.

Mr Hinde is transferring the shares in support of and to compensate Mr Lu for his efforts in establishing the Asian distribution channels. Last month, MDSnews issued Mr Lu's Singaporean company Sramax Pte with distribution rights for the Asian region which will cover all major Asian financial centres. The management of Sramax has over 25 years experience in international business throughout Asia involving various stock broking and financial market technology solutions. Mr Lu intends to establish education centres and strategic alliances with major financial institutions within the Asian region.

"The transfer of shares is a personal show of support for Mr Lu from myself, as Mr Lu's company will be funding the entire setup and ongoing expenses incurred by the Asian distribution channels," said Mr Hinde.

The transfer of shares will save MDSnews $250,000 in capital costs associated with establishing the Asian distribution channels.

The announcement made on 24 May 2006 provides information on the Asian distribution agreement.

For any further information please contact Allan Shek on 02 9251 6222 or shareholder@mdsnews.com